Sri ANNARAO GANAMUKHI:— Sir, (b) is not an independent question.

Mr. SPEAKER:—I think it is an independent question.

Sri ANNARAO GANAMUKHI:—If the Hon'ble member wants that information, Iwill place it on the table of the House.

Sri K. KENCHAPPA:—I am at a loss to understand how he can say that A Specific question is there and it is his duty to furnish all the information. If they have no ready information, they must take one or two days.I hope at least hereafter the minister will learn.....

Mr. SPEAKER:—I feel that clause (a) is not necessarily connected with (b). Naturally if information is available as to how many institutions have been inspected by the D. P. I. it may be given. Otheswise if the information is not available, I will hold over the question.

Sri ANNARAO GANAMUKHI:—Here it refers to inspection notes.

Sri J. B. MALLARHDHYA:—That is with reference to (b).

Mr. SPEAKER:—I do agree that there may be such an impression that (b) refers to (a). I think both of them are independent. I will give time The question may be held over.

Sri L. S. VENKAJI RAO.—Has the Chair given a ruling that.

Sri C. J. MUKKANNAPPA.—Sir, when you have already....

Mr. SPEAKER.—I am able to take care of myself to answer the points. When I want his help I will ask.

In a way clause (*b*) is connected with clause (a) and in another way it is not connected. I will hold over the question.

HANDING OVER OF THE KOLAR GOLD FIELDS UNDERTAKINGS TO THE GOVERNMENT OF INDIA.

*Q.—228. Sri J. B. MALLARADHYA (Nanjangud),

Will the Government be pleased to state:—

(*a*) whether they have taken a decision regarding the handing over of the K. G. F. Undertakings to the Government of India for management;

(*b*) if so, the reasons therefor and under what conditions;

(*c*) the result of the working of the Mines after it was nationalised and after the Government took over the management (the profits earned or the loss incurred during each year after Government took over, may be furnished);

(*d*) the stage at which the proposal to convert the K. G. F. Mining Undertakings into an autonomous Corporation stands at present?

A.— Sri B. D. JATTI (Chief Minister).—

(*a*) The subject is under the consideration of the Government of India.

(*b*) As a result of consultation between the Government of India and the State Government.

The conditions on which the Kolar Gold Mining Undertakings will be handed over to the Government of India, if it is decided to transfer them to the Government of India, have not been finalised.

(*c*) *Accounting year*	*Profits earned Rs. in lakhs*
29-11-1956 (date of nationalisation) to 31-3-1958)16 months and 2 days). ...	27.45
1958-59 (12 months). ...	12.39
1959-60	18.27

(*d*) This has been kept in abeyance pending a final settlement of the question of the transfer of the gold mining industry in the State to the Central Government.

Sri J. B. MALLARADHYA.—In answer to supplementary (*c*) it is clear that the Kolar Gold Fields Undertakings are working fairly well. May I know why the Government is thinking of handing over the Undertakings to the Goverument of India?

†Sri B. D. JATTI.—The difference between the official rate and the market rateof gold is much. If the price received by the Government of India is according to official rate it will not be possible for us to run the mines.

Sri J. B. MALLARADHYA.—What is the price the Government of Mysore is getting in respect of sale of gold produced there?

Sri B. D. JATTI.— I will give the rates:

	Rs. rP.
Market rate of gold per ounce ...	332—92
International rate of gold per ounce is...	166—67

So, the difference is too much and it is not possible for us to bear the difference.

Sri J. B. MALLARAHAYA.—Why should we get international rate when we can sell it in the open market?

Sri B. D. JATTI.—International Monetary Fund rules do not allow that. That is why they have informed us to follow this procedure.

Sri J. B. MALLARADHYA.—When was the International Monetary Fund rule made applicable to us?

Sri B. D. JATTI.—I do not know when the Government of India intimated us. We are considering that point.

Sri M. C. NARASIMHAN.—In answer to (*d*), may I know if the Government of Mysore have represented to the Government of India that in the event of their taking over this concern, the Mysore Government's share in management and in the matter of compensation, are not affected?

Sri B. D. JATTI.—I did not follow the question.

Sri M. C. NARASIMHAN.—In the event of the Government of India taking over this concern, have you represented that the share of the Government of Mysore in the administion of the Undertakings should remain ?

Sri B. D. JATTI.—The Government of India have already informed us. They will be taken into consideration the representation of the Government of Mysore.

Sri C. J. MUKKANNAPPA.—Are the Government aware that the Mysore M. Ps. in the Lok Sabha have agitated that the Undertakings should not be taken over by the Government of India?

Sri B. D. JATTI.—The Government of Mysore has no official information about it.

Sri L. S. VENKAJI RAO.—Is it not a fact that the Government of India are one of the members of the International Monetary Fund Board?

Sri B. D. JATTI.—It is correct.

Sri C. K. RAJIAH SETTY.—What is the return the Government of Mysore will get when the Undertakings are taken over?

Sri B. D. JATTI.—The Government of Mysore is entitled to get royalty.

Sri C. K. RAJIAH SETTY.—Are we getting interest on our capital investment?

Sri B. D. JATTI.—The point is that the Government of India is not insisting that we must hand over the Undertakings to them. If we have to run the Undertakings and get international rate, we will have to run it under permanent loss. That is the point to be considered.

Sri M. C. NARASIMHAN.—In the event of handing over the Undertakings to the Government of India, does the Mysore Government get any compensation?

Sri B. D. JATTI.—That will be considered by the Government of Mysore.

Sri M. C. NARASIMHAN.—Have you made such a demand that compensation should be paid if the Undertakings are handed over?

Sri B. D. JATTI.—In principle the Government of Mysore have agreed that it should be handed over if we are not getting market price. All the legal and other things will be considered before taking a final decision in the matter.

Sri J. B. MALLARADHYA.—As between converting the Undertakings into an autonomous corporation and the Government of India themselves managing that in case the price of gold has to be according to international monetary fund rules what is the balance of advantage

Sri B. D. JATTI.—We may decide which is better. If the Government of India does not agree for conversion of the present arrangement into a Corporation and if they insist that we should get only the international rate, it will be very difficult for us.

Sri J. B. MALLARADHYA.—Has the Govenment of Mysore taken into consideration the relative advantages of either converting it into a corporation or handing it over to the Government of India, with reference to the ultimate return?

Sri B. D. JATTI.—The Government of Mysore has considered it and if the Government of ndia agrees for converting it into a corporation and if it is not possible to run the mines on a profitable scale, then it is very difficult. That is why in principle the Government of Mysore have agreed to hand over the Undertakings.

ಶ್ರೀ ಇ. ನಾರಾಯಣಗ ಡ.—ಈ ಉದ್ಯಮೆಯನ್ನು ನಡೆಸಲು ನಮಗೆ ಶಕ್ತಿಸಾಲದು ಎಂದು ಕೇಂದ್ರ ಸರಕಾರವವರು ರಾಜ್ಯ ಸರಕಾರಕ್ಕೆ ಒತ್ತಾಯಪಸ್ನು ಏನಾದರೂ ಕಳುಹಿಸಿದ್ದಾರೆಯೇ?

ಶ್ರೀ ಬಿ. ಡಿ. ಜತ್ತಿ.—ಕೇಂದ್ರಕ್ಕೆ ವಹಿಸಿಕೊಡುವುದರ ಒತ್ತಾಯವಲ್ಲ. ಈ ಉದ್ಯಮಕ್ಕೆ ಶಕ್ತಿಇರುವುದು ಆದರಿಂದ ಬರತಕ್ಕ ಲಾಭದಿಂದ.

†Sri M. C. NARASIMHAN.—Is it not a fact that if the gold mines were run as a private concern, the Government could not have insisted that gold should be sold at the international rate?

Sri B. D. JATTI.—It is a hypothetical question.

Sri L. S VENKAJI RAO.—Is it not a fact that even in the event of the private company retaining these mines, they would not have been able to earn profits now?

Sri B. D. JATTI.—It is a simple business proposition. If they get less profit, they will not run it.

Sri J. B. MALLARADHYA.—Do you mean to say that if the Government of ndia were to take over the Undertakings from the Government of Mysore they can get the maket rate?

Sri B. D. JATTI.—So long the Government of India gives assistance to make up the balance. it is possible for us to run the undertakings. It is for the Government of India to earn profits or suffer loss.

Sri C. K. RAJIAH SETTY.—Is it not a fact that the Gover ment of India is taking over this Undertaking inspite of incurring loss just because gold is an international exchange and they require exchange?

Sri B. D. JATTI.— It is exactly correct.

Sri L. S. VENKAJI RAO.—It is not a fact that there is lot of difference between direct ownership and indirect ownership?

Sri B. D. JATTI.—Since it is the responsibility of the Government of India, they will consider about it.

Sri M. C. NARASIMHAN.—Can you give figures of ore crushed and the royalty received during the years from 1956 to 1960?

Sri B. D. JATTI.—I have not got all the details. I will give figures for the year 1959-60. Ore crushed in tons: 6,47,369; cost of production Rs. 290.5 per ounce or Rs.108.9 per tola.

Sri M. C. NARASIMHAN.—Can you give the royalty received during this period?

Sri B. D. JATTI.—I have not calculated it. At the rate of 5 per cent royalty has been paid. There is also another thing, *i.e.*, 6¼ per cent. But the royalty recovered by the Government of Mysore is 5 per cent.

Sri C. J. MUCKANNAPPA.—If a corporation is formed will it not give royalty to the Government of Mysore?

Sri B. D. JATTI.—I have explained it. If we form a corporation and if the Government of India does not continue to give assistance, it is not possible to run it under loss.

SCARCITY CONDITIONS IN THE STATE.

* *Q.*—324. Sri A. MUNIAPPA (Chickaballapur).—

Will the Government be pleased to state:—

(*a*) the areas where scarcity conditions prevail for want of timely rain in the State;

(*b*) the preventive measures adopted by them in this behalf?

A.—Sri KADIDAL MANJAPPA (Minister for Revenue):—

(*a*) Please see statement appended.

(*b*) (1) Construction of Major and Medium Projects to provide Irrigation facilities.

(2) Restoration of major and minor tanks.

(3) Construction of Irrigation wells and liberalisation of rules for grant of assistance by way of loan and subsidy-deepening of existing wells.

(4) Soil conervation and bunding works.

(5) Opening of fair-price depots.